

# HOME

## Down Payment Assistance Program

**Summary** Provides up to a \$20,000 as a deferred loan to first-time homebuyers earning up to 80 percent of the area median income to purchase and live in a for-sale home in Washoe County.

### **Qualifications Criteria:**

1. A first time homebuyer as defined by HUD.
2. Purchasing a for-sale home within Washoe County.
3. Household annual income not more than 80% of area median income.
4. Qualify for a fixed-rate mortgage to purchase a home; terms must be approved by program staff.
5. Requires a personal down payment of at least 3.5% of purchase price from personal funds. Preference will be given to households with 20% of the purchase price available for a down payment from sources that do not add to the household's active repayable debt.
6. Stable or increasing income history for at least the past 24 months.
7. Overall after purchase debt-to-income ratio not more than 40 percent.
8. Successful completion of 8 hour HUD-certified homeowners' training (Consumer Credit Affiliates or other approved organization).

### **Terms of Assistance:**

1. Qualified buyers may receive up to \$20,000 to acquire a for-sale home that is classified as real property.
2. Loan is deferred until such time as the property is transferred or sold or no longer occupied as the primary residence.
3. No interest on loan.
4. Funds may be used for a down payment, closing costs or to buy points.
5. Buyer must occupy the home as the primary residence throughout the period of affordability (15 years).
6. If the property is sold or no longer serves as the primary residence during the 15 year affordability period the balance of the loan will be due and payable in full at that time.
7. Homes must be inspected and approved by program inspectors before assistance may be provided or closing can occur.
8. Assistance will be provided on a first-come, first-serve basis upon and:
  - a. Determination of eligibility,
  - b. Documentation of availability of required personal funds,
  - c. Certificate of completion of required homebuyer course,
  - d. Identification of an approved home, and
  - e. Qualification for an approved loan.